Sustainable Resource Development

BUSINESS PLAN 2008-11

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2008 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of March 18, 2008 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

The Ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Ted Morton, *Minister of Sustainable Resource Development*
April 4, 2008

THE MINISTRY

The Ministry of Sustainable Resource Development consists of the Department of Sustainable Resource Development and the Natural Resources Conservation Board. The Ministry also includes the Surface Rights Board and the Land Compensation Board, which are included in the department's consolidated financial statements for reporting purposes. It is also responsible for the Environmental Protection and Enhancement Fund. As the province's primary manager of public lands, forests, fish and wildlife, the Ministry works with industries, communities and Albertans to provide integrated resource policy, allocate resources and assure resource stewardship.

VISION

Alberta's lands, forests, fish and wildlife benefit present and future Albertans.

MISSION

Sustainable Resource Development encourages balanced and responsible use of Alberta's natural resources through the application of leading practices in management, science and stewardship.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

Government of Alberta Goal 1: Alberta will have a prosperous economy
Sustainable Resource Development links to this government goal through its work on Alberta's Land-use Framework and its aggressive action to protect the health of Alberta's forests, particularly from mountain pine beetle infestation. Sustainable Resource Development also supports this goal with its many strategies to promote balanced and responsible use of Alberta's land, forests, fish and wildlife to sustain them for future generations and support economic development.

Government of Alberta Goal 3: The high quality of Alberta's environment will be sustained
Sustainable Resource Development links to this government goal through its work in leading Government of Alberta efforts to conserve biological diversity and enable sound management of Alberta's natural resources on a sustainable basis.

Government of Alberta Goal 7: Alberta will be a safe place to live, work and raise families
Sustainable Resource Development links to this government goal by protecting Alberta's forests and forest communities from wildfires and safeguarding Albertans and their property from dangerous encounters with wildlife.

Government of Alberta Priorities
Sustainable Resource Development will work with other ministries to achieve the following government priority:

- *Enhance value-added activity, increase innovation, and build a skilled workforce to improve the long-run sustainability of Alberta's economy.*

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Maintaining Alberta's dynamic economy over the long-term is the direct result of the sustainable management of the province's natural resources. This management requires balance among the environmental, economic and social benefits Albertans receive from these resources.

Sustainable Resource Development will seek to take advantage of the following opportunities over the next three years:

- **Increasing Public Information and Education on Environmental Matters:** Albertans greatly value their natural surroundings for a wide variety of environmental, social and economic factors. An increasing environmental focus, along with Albertans' growing recognition and awareness of the challenges of balancing a healthy environment with a healthy economy, provides an unprecedented opportunity for the Ministry to further encourage environmentally responsible practices and behaviours.

- **Technology Improvements:** Continuing advances in information technology provide greater access to information as well as improvements in efficiency. Sustainable Resource Development is taking steps to modernize its information technology for managing land use and licensing recreational activities such as fishing and hunting to provide Albertans with better service.

- **Renewable Energy:** Sustainable Resource Development is working with other ministries in exploring the feasibility of using wood fibre for bio-energy and bio-products. Bio-fuels can provide alternative energy sources that support rural development, diversify the economy and decrease reliance on fossil fuels.

Challenges influencing the strategic direction of the Ministry include:

- **Environmental Trends:** Mountain pine beetles are threatening Alberta's pine forests and the viability of its forest-based communities and industries. An unprecedented flight of these beetles into northwestern Alberta in July 2006 resulted in a significantly higher number of infested trees than expected. This is in addition to the gradual encroachment of beetles from British Columbia and the yearly spread of beetle populations in Alberta. Sustainable Resource Development is continuing to take aggressive action to protect the numerous social, economic and environmental values of Alberta's forests (e.g., recreational opportunities, community sustainability, the forest industry, forest health, watersheds, and fish and wildlife habitat), reduce the risk of catastrophic wildfires in beetle-infested areas, and prevent the eastern spread of the beetle in the boreal forest. Outbreaks of other pests and diseases, such as spruce budworm and chronic wasting disease, also require aggressive strategies.

  Natural environmental conditions that may impact forest health and biodiversity are not completely controllable, and the Ministry will increasingly need to adapt its planning and management approaches to minimize negative consequences.

- **Managing Growth Pressures:** Resource development will continue to be a vital part of the Alberta economy. To support their economic viability and growth, many industries (oil and gas, forestry, agriculture, tourism) require increasing and secure access to public land and its associated natural resources. This means that large numbers of land disposition applications will need to be processed.

  One outcome of Alberta's strong economy, which is fueling rapid industrial and commercial development on public land and increasing land disposition applications, is a high volume of disposition approvals to use public land. Meanwhile, more Albertans are requiring more access to public land for a wide spectrum of recreation activities (e.g., hunting, fishing, nature appreciation, and off-road vehicle use). More disposition approvals and more public access increase the complexity of integrating all activities on the land, which increases the need for planning and consultation. The challenge will be to implement the Land-use Framework in a way that balances economic growth and access to natural resources with the social and environmental expectations that contribute to Albertans' overall quality of life.

  In light of all this, meeting the growing demands from industry and stakeholders for timely and relevant information is also becoming more and more challenging. There is a widening gap between the demand for knowledge and information, and the availability of current, relevant data.

- **Forest Industry Competitiveness:** The value of the Canadian dollar, global market pressures, and increased energy and transportation costs are all affecting the competitiveness of Alberta's forest products industry. North American housing starts are slowing, and this trend is continuing to reduce markets for Alberta wood products.

- **Building Organizational Capacity:** Alberta employers are facing challenges in attracting qualified workers and retaining existing employees. Whether retaining senior staff or hiring seasonal workers such as those for wildfire or mountain pine beetle operations, Sustainable Resource Development faces similar recruitment and retention challenges as other Alberta employers in this province's tight job market.

STRATEGIC PRIORITIES 2008-11

After reviewing the Ministry's challenges and opportunities, the following strategic priorities were identified. These are in addition to the important, ongoing core businesses the Ministry delivers.

GREENING OUR GROWTH

1. **Land Use**

   Linkage:
   Goals 1, 2, 3, 4 and 5

   Address competing use of land through planning and decision-making directed by the completion and implementation of the Land-use Framework.

2. **Biodiversity**

   Linkage:
   Goals 1, 2, 3 and 4

   Develop a biodiversity action plan to conserve biological diversity and enable sound management of Alberta's resources on a sustainable basis.

3. **Forest Health**

   Linkage:
   Goals 1, 2, 3 and 4

   Implement aggressive actions to protect the health of Alberta's forests, particularly from mountain pine beetle infestation.

CREATING AND PROTECTING OUR OPPORTUNITIES

4. **Forest Industry Competitiveness**

   Linkage:
   Goals 1, 2, 3, and 4

   Strengthen the competitiveness of the forestry sector by working with industry to identify options to improve the long-term viability of the sector.

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

The Ministry of Sustainable Resource Development delivers four core businesses:

- Lands
- Forests
- Fish and Wildlife
- Quasi-judicial Land-use and Compensation Decisions

The department is responsible for delivering the first three, and the Ministry's three boards (Natural Resources Conservation Board, Surface Rights Board and Land Compensation Board) deliver the fourth. Support in delivering these core businesses is provided by Communications, Corporate Business Support, Legal Services, Finance and Administration and Human Resource Services.

Core Business One: Lands

The Ministry manages the demands of multiple stakeholders who use Alberta's public lands by integrating planning and best-management practices to sustain the benefits Albertans receive from their natural resources and public lands.

GOAL ONE 1 Alberta's public lands, including rangelands and shorelands, are healthy, productive and sustainable

What it means Alberta's public lands are managed to optimize and sustain their current and long-term economic, environmental and social values. They are managed through sound decisions that balance multiple uses including: energy development, forest operations, watershed capacity, grazing, recreation and others.

Strategies

1.1 Complete and implement the Land-use Framework to address competing use of land.

1.2 Manage public lands in a manner that integrates and balances diverse uses with natural resource and stewardship values.

1.3 Provide legislative and land-management frameworks that enable sustainable use and development of public lands to optimize the benefits Albertans receive from this resource.

1.4 Develop and implement policies, guidelines and practices that minimize the footprint of industrial, commercial and public activity on public lands and align land and resource management objectives.

1.5 Provide and monitor land-use decisions in a timely and effective manner that ensures sustainable development through appropriate application of conditions and legislation.

1.6 Support sustainable and integrated land management practices and decisions through coordinated inventories, knowledge transfer and applied research programs.

1.7 Offer long-term, secure public rangeland grazing that promotes sustainable resource management.

1.8 Work with stakeholders to assess, strengthen and sustain the ecological health and function of riparian* areas and shorelands.

1.9 Encourage responsible use of Alberta's public lands through information, education, outreach and monitoring.

1.10 Improve public and stakeholder understanding and clarity regarding access to public lands for industrial, recreational or agricultural use.

1.11 Develop innovative approaches to address the significant number of large oil sands projects requiring review and approval.

1.12 Maintain high levels of compliance with and ensure timely and effective responses to contraventions of legislation related to lands and forests.

1.13 Consult with First Nations regarding land use and authorization of activities on public lands that have the potential to adversely impact First Nations' rights and traditional use of Crown lands.

* A riparian area is the transitional area between an aquatic area and the surrounding uplands.

Performance Measures	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
1.a **Timely, Efficient Disposition Decisions**				
• Average number of working days for completing industrial dispositions	25.9	<20	<20	<20
• Average number of working days for completing geophysical approvals	9.5	<10	<10	<10
1.b **Public Rangeland Allocation** Animal unit months[1] allocated (millions)	1.7[2]	1.6	1.6	1.6
1.c **Rangeland Sustainability** Percentage of rangeland leases in good standing	90%	90%	90%	90%

Notes:

1 An animal unit month is defined as the amount of forage required to feed one animal unit (one cow with calf at side) for 30 days. This amount is approximately 1,000 pounds of forage dry matter.

2 Exceeding the target for this measure is positive because this demonstrates that more public lands are being made available for livestock grazing than expected. This means public lands are being better shared among agricultural, recreational and industrial users.

Core Business Two: Forests

The Ministry provides leadership and guidance to ensure the multiple benefits received from the province's forests, including watershed and biodiversity are realized by using the best possible forest management, wildfire management and forest industry practices.

GOAL TWO 2 Alberta's forests and forest communities are protected from wildfires

What it means By managing wildfires, the Ministry protects the multiple benefits received from forests within the Forest Protection Area of the province. The Forest Protection Area is the area in which the Ministry has the legislated mandate to manage, suppress and control wildfires. Wildfires are managed by: working cooperatively with municipalities, industry, and other stakeholders; supporting outreach programs that promote responsible forest management; and using the best possible science and technology to prevent and suppress wildfires.

Strategies

2.1 Provide a preparedness framework that enables the province to respond to wildfires in the Forest Protection Area. Key elements of the framework include effective policies, readiness, training, prevention, detection and early response.

2.2 Reduce the risk and damage caused by wildfires by incorporating FireSmart® practices and principles, such as prescribed fire and other vegetation management techniques, in cooperation with the public, industry and local governments.

2.3 Respond to wildfires through a management regime that quickly contains and suppresses wildfires within the Forest Protection Area to minimize related losses.

2.4 Encourage wildfire prevention in Alberta's forests through information, education, outreach and monitoring.

2.5 Consult with First Nations regarding wildfire management activities that have the potential to adversely impact First Nations' rights and traditional use of Crown lands.

* FireSmart is a program that provides Albertans with information to protect themselves, their property and the forests from wildfires.

Performance Measures	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
2.a **Detection**[1]				
Detected wildfires reported within five minutes:				
• By Lookout	99%	90%	90%	90%
• By Air	100%	90%	90%	90%
2.b **Response**[1]				
Wildfires actioned before they reach 2.0 hectares in size	93%	90%	90%	90%
2.c **Containment and Suppression**[1]				
Wildfires contained within the first burning period[2]	96%	90%	90%	90%

Notes:

1 Performance data is based on wildfires occurring between April 1 and October 31 in the Forest Protection Area.

2 *First burning period* means contained by 10 a.m. the day following when the wildfire was first reported.

GOAL THREE 3 Alberta's forests and forest landscapes support healthy ecosystems and communities

What it means The Ministry protects the multiple benefits received from the province's forests and forest landscapes by: managing forests effectively and protecting their health; using leading policy, regulation, legislation and science; collaborating with stakeholders; and supporting education and outreach programs that promote responsible use.

Strategies

3.1 Manage Alberta's forests and forest landscapes through a policy, legislative, consultation and regulatory framework that optimizes the benefits Albertans receive from their forest resource.

3.2 Implement aggressive actions in Alberta's forests to maintain their health and manage infestations of disease, invasive plants and insect pests such as the mountain pine beetle, in cooperation with industry and municipal and federal governments.

3.3 Sustain Alberta's forests through adaptive forest management planning and practices by government and industry, along with appropriate compliance, assurance and reporting mechanisms.

3.4 Encourage leading practices in stewardship in Alberta's forests through information, education, outreach and monitoring.

3.5 Support efforts toward increasing the forest industry's knowledge and research capacity in value-added processing and bio-economy business opportunities.

3.6 Implement measures that enhance the forest industry business model.

3.7 Ensure Albertans receive a fair return for the use of fibre produced on forested public lands.

3.8 Protect watersheds and biodiversity.

3.9 Consult with First Nations regarding forest management activities and authorizations for timber harvesting that have the potential to adversely impact First Nations' rights and traditional use of Crown lands.

Performance Measure	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
3.a **Timber Allocation**[1]				
• Annual allowable cut (in million cubic metres)	24		Harvest does not exceed annual allowable cut	
• Harvest (in million cubic metres)	20			

Note:

1 Data for this measure is calculated as a five-year rolling average based on the timber year (May to April).

Core Business Three: Fish and Wildlife

The Ministry manages fish and wildlife species based on the best available science and integrated decision-making processes. The sound stewardship of fish and wildlife resources facilitates consumptive (fishing and hunting) and non-consumptive recreation opportunities compatible with healthy, diverse fish and wildlife populations.

GOAL FOUR 4 Alberta's fish and wildlife resources and their habitats are healthy, productive and sustainable

What it means Alberta's fish and wildlife resources and natural communities are conserved, restored and enhanced for the benefit of current and future generations through a comprehensive set of strategies for Alberta's aquatic and terrestrial environments.

Strategies

4.1 Manage fish and wildlife through a policy and legislative framework that optimizes the benefits Albertans receive from these resources.

4.2 Encourage leading practices in habitat conservation through expanded partnerships with conservation agencies, industry, government and academia.

4.3 Develop and implement fish and wildlife management plans for species at risk and game species.

4.4 Maintain high levels of compliance with and ensure timely and effective responses to contravention of fish and wildlife legislation by delivering appropriate public education and outreach programs, providing prevention and enforcement programs, and monitoring the use of fish and wildlife resources.

4.5 Minimize adverse human-wildlife interactions that result in threats to human safety or property damage by providing assistance and information to landowners and the general public.

4.6 Detect, diminish and manage threats from wildlife diseases and invasive alien species through collaboration with appropriate stakeholders.

4.7 Establish objectives and priorities for Alberta's lakes and streams to sustain and protect Alberta's aquatic ecosystems in support of the Alberta government's Water for Life Strategy.

4.8 Work with the Alberta Conservation Association to ensure that its annual strategic plan reflects Ministry priorities.

4.9 Identify critical actions to support biodiversity in Alberta.

4.10 Enhance promotion of a stewardship ethic with partners, industry and the general public through information, education and outreach programs.

4.11 Promote wildlife and biodiversity through programs and policies that incent private landowners to practice stewardship to maintain and improve habitat and riparian areas.

4.12 Consult with First Nations regarding fish and wildlife management changes that have the potential to adversely impact First Nations' rights and traditional use of Crown lands.

Performance Measure	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
4.a **Healthy Sustainable Wildlife Populations** Percentage of Species at Risk	2.2%	<5%	<5%	<5%

Note:

1 National results every five years.

Core Business Four: Quasi-judicial Land-use and Compensation Decisions

Reporting to the Minister of Sustainable Resource Development, the Ministry's three quasi-judicial boards make their decisions independently, in accordance with their own governing legislation. The Natural Resources Conservation Board conducts independent public reviews of major, non-energy, natural resource projects and also regulates Alberta's confined feeding operations. The Surface Rights Board conducts hearings when operators and landowners or occupants fail to agree on entry or compensation related to resource activity on privately owned lands or occupied public lands. The Land Compensation Board establishes compensation when private land is expropriated by a public authority for projects in the public interest.

GOAL FIVE 5

Albertans have access to timely, quasi-judicial processes that consider the collective and individual benefits derived from Alberta's natural resources

What it means Albertans receive fair and timely hearings from administrative tribunals on disputes involving land-use issues.

Strategies

5.1 Provide opportunities for all Albertans to participate in and understand review and hearing procedures.

5.2 Encourage the use of alternative dispute resolution where appropriate.

5.3 Deliver timely and effective reviews and hearings, and ensure the resulting written decisions and reports are issued in a timely manner.

Performance Measures	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
Timeliness of decisions issued by boards reporting to the Minister of Sustainable Resource Development				
5.a Percentage of Natural Resources Conservation Board's decisions issued within 65 working days from meeting all requirements for applications pertaining to the *Agriculture Operations Practices Act*	77%	85%	85%	85%
5.b Percentage of the Natural Resources Conservation Board's decisions issued within 80 working days from the conclusion of a review under the *Natural Resources Conservation Board Act*	No reviews completed[1]	100%	100%	100%

Notes:

1 During the year, there were no reviews under the *Natural Resources Conservation Board Act* completed; therefore, no decisions were available to include in this measure. Completed means that Natural Resources Conservation Board staff have reviewed the application and all requirements for filing have been met.

Similar measures have been proposed to assess timeliness of administrative processes supporting the *Surface Rights Act* and the *Expropriation Act*. Data collection and interpretation are the responsibility of the Surface Rights Board and the Land Compensation Board and their administration.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable					
	2006-07 Actual	2007-08 Budget	2007-08 Forecast	2008-09 Estimate	2009-10 Target	2010-11 Target
Forests	349,792	216,970	361,630	221,640	174,313	178,397
Lands	55,231	65,812	65,922	81,361	91,336	97,162
Fish and Wildlife	53,101	61,359	62,094	64,401	66,636	68,389
Quasi-judicial Land-use and Compensation Decisions	8,852	9,359	9,589	9,807	10,123	10,517
MINISTRY EXPENSE	466,976	353,500	499,235	377,209	342,408	354,465

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable					
	2006-07 Actual	2007-08 Budget	2007-08 Forecast	2008-09 Estimate	2009-10 Target	2010-11 Target
REVENUE						
Transfers from Government of Canada	5,905	56,113	77,651	31,380	23,615	2,517
Investment Income	5,408	2,625	3,593	5,485	5,685	5,985
Premiums, Fees and Licences	121,512	108,625	106,402	109,882	111,091	110,341
Other Revenue	5,149	4,098	6,199	4,673	3,578	3,303
MINISTRY REVENUE	137,974	171,461	193,845	151,420	143,969	122,146
EXPENSE						
Program						
Forestry	342,427	210,245	353,589	214,974	168,372	172,350
Lands	52,046	60,114	60,765	76,318	85,640	91,284
Fish and Wildlife	51,983	59,457	60,714	62,465	64,365	66,071
Quasi-judicial Land-use and Compensation Decisions	8,852	9,359	9,589	9,807	10,123	10,517
Ministry Support Services	9,132	9,495	9,748	9,915	10,178	10,513
Environment Statutory Programs	2,066	3,775	3,775	2,675	2,675	2,675
Valuation Adjustments and Other Provisions	470	1,055	1,055	1,055	1,055	1,055
MINISTRY EXPENSE	466,976	353,500	499,235	377,209	342,408	354,465
Gain (Loss) on Disposal and Write Down of Capital Assets	3,542	4,000	4,000	12,600	12,500	11,400
NET OPERATING RESULT	(325,460)	(178,039)	(301,390)	(213,189)	(185,939)	(220,919)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable					
	2006-07 Actual	2007-08 Budget	2007-08 Forecast	2008-09 Estimate	2009-10 Target	2010-11 Target
Ministry Revenue	137,974	171,461	193,845	151,420	143,969	122,146
Inter-ministry consolidation adjustments	(1,724)	-	1,724	-	-	-
Consolidated Revenue	136,250	171,461	195,569	151,420	143,969	122,146
Ministry Expense	466,976	353,500	499,235	377,209	342,408	354,465
Inter-ministry consolidation adjustments	(2,066)	(3,775)	(3,775)	(2,675)	(2,675)	(2,675)
Consolidated Expense	**464,910**	**349,725**	**495,460**	**374,534**	**339,733**	**351,790**
Gain (Loss) on Disposal and Write Down of Capital Assets	3,542	4,000	4,000	12,600	12,500	11,400
CONSOLIDATED NET OPERATING RESULT	(325,118)	(174,264)	(295,891)	(210,514)	(183,264)	(218,244)

CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

	Comparable					
	2006-07 Actual	2007-08 Budget	2007-08 Forecast	2008-09 Estimate	2009-10 Target	2010-11 Target
Forestry	34,217	30,053	18,006	27,653	15,653	8,853
Lands	2,530	1,102	1,402	4,752	4,752	1,102
Fish and Wildlife	1,387	782	982	782	782	782
Quasi-judicial Land-use and Compensation Decisions	95	17	17	17	17	17
Ministry Support Services	267	40	40	40	40	40
MINISTRY CAPITAL INVESTMENT	38,496	31,994	20,447	33,244	21,244	10,794